

28/12/21
Examine the various implications of legalizing the MSP for various agricultural commodities.

Minimum Support Price (MSP):

From the year of 1965, MSP for the agricultural produce like Rice & Wheat have been given in accordance with CACP (Commission for Agricultural Costs & Prices) before the coming of Kharif & Rabi crops which later included all those crops.

Implications of legalizing the MSP for various agricultural commodities.

- Monopoly of MSP procurement can be prevented.
Eg: Punjab & Haryana → 29% of Rice
↳ 52% of Wheat.
while TN - 5% & West Bengal - 4.45%.
- Crop diversification can be made by enhancing the increased MSP for non-cereal crops like Bajra & Sorghum.
- Improvization of farmers' livelihood by preventing them to sell 2-70% of the MSP price to private players.
- A statutory body of MSP may increase the MSP rate from previous 1 1/2 time as mentioned by M.S. Swaminathan's commission report of 2006.
i.e. Including A₂ + FL (additional cost, land rent, family labour + Input cost of production)

- Chance of inclusion of Horticultural crops such as fruits & vegetables as we are the 2nd largest producer.
- Opportunity to include the milk (1st largest producer in the world) under MSP
- Planning could be made better when 17 lakh crore of annual MSP could also be spent little in Developing infrastructure facility to farmers.
- It also highlights the participation of 86% of small & marginal farmers (who production accounts for 75% of total food grain) would be merger merges

Conclusion:

We the citizens of Bharat/India completely dependant on a single person called farmer and thus it is the duty of Government to ensure their livelihood as well as to protect the common man's interest on food (as inflation & purchasing power). Thus building the infrastructure available food storage will divert us from being wasted besides wasting money unproductively